NACDS NATIONAL ASSOCIATION OF CHAIN DRUG STORES

Statement

Of

The National Association of Chain Drug Stores

For

U.S. House of Representatives

Committee on Energy and Commerce

Subcommittee on Health

Hearing on:

"Medicare Post-Acute Care Delivery and Options to Improve It"

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Introduction

The National Association of Chain Drug Stores (NACDS) thanks Chairman Pitts, Ranking Member Green, and the members of the Subcommittee on Health for the opportunity to submit the following statement for the record regarding Medicare post-acute care delivery and options to improve it. NACDS and the chain pharmacy industry are committed to partnering with Congress, HHS, patients, and other healthcare providers to improve the quality and affordability of healthcare services.

NACDS represents traditional drug stores and supermarkets and mass merchants with pharmacies. Chains operate more than 40,000 pharmacies, and NACDS' 115 chain member companies include regional chains, with a minimum of four stores, and national companies. Chains employ more than 3.2 million individuals, including 179,000 pharmacists. They fill over 2.9 billion prescriptions yearly, and help patients use medicines correctly and safely, while offering innovative services that improve patient health and healthcare affordability. NACDS members also include more than 850 supplier partners and nearly 60 international members representing 22 countries. For more information, visit www.NACDS.org.

As the face of neighborhood healthcare, community pharmacies and pharmacists provide access to prescription medications and over-the-counter products, as well as cost-effective health services such as immunizations and disease screenings. Through personal interactions with patients, face-to-face consultations, and convenient access to preventive care services,

local pharmacists are helping to shape the healthcare delivery system of tomorrow—in partnership with doctors, nurses and others.

Hospital readmissions are costly and frequently occur soon after discharge. Estimates of the total cost of readmissions range from $15 billion to $25 billion per year.[1] A significant proportion of hospital readmissions are caused by medication-related adverse events. It has been estimated that hospital admissions related to medication adherence costs around $100 billion per year.[2] As a member of the healthcare team, pharmacists are a valuable asset for beneficiaries leaving the hospital or other acute care facility, and through medication adherence-improving activities such as medication therapy management (MTM), can help improve care and reduce healthcare costs.

The Benefits of Pharmacist-Provided MTM

In recent years, pharmacists have played an increasingly important role in the delivery of cost-saving, highly efficient healthcare services. Notably, policymakers have begun to recognize that pharmacist-provided MTM improves medication adherence, which lowers overall healthcare costs. For example, a 2013 CMS report found that Part D MTM programs consistently and substantially improved medication adherence and quality of prescribing for evidence-based medications for beneficiaries with congestive heart failure, COPD, and diabetes. In 2014, a Medicare Payment Advisory Committee (MedPAC) study found significant medical side savings in adherent populations compared to the non-adherent population. In addition, a study conducted by Avalere in 2013 concluded that patients who

[1] NEHI, Improving Medication Adherence and Reducing Readmissions, October 2012

are adherent to their medications have more favorable health outcomes such as reduced mortality and use fewer healthcare services. Such patients are thus cheaper to treat overall, relative to non-adherent patients.

How and where MTM services are provided also impact its effectiveness. A study published in the January 2012 edition of *Health Affairs* found that a pharmacy-based intervention program increased adherence for patients with diabetes and that the benefits were greater for those who received counseling in a retail, face-to-face setting as opposed to a phone call from a mail-order pharmacist.

Pharmacists are engaged with other professionals and participating in models of care based on quality of services and outcomes, such as accountable care organizations (ACOs) and medical homes. Pharmacists now commonly provide immunizations and MTM services and are developing new and innovative approaches through medication synchronization programs, identifying and treating medication adherence issues, and working to be able to provide simple medical testing services.

Pharmacists as Providers

In addition to helping reduce post-acute care issues related to medication non-adherence, retail community pharmacists can provide high quality, cost efficient care and services. However, the lack of pharmacist recognition as a provider by third party payors including Medicare and Medicaid has limited the number and types of services pharmacists can provide, even though fully qualified to do so.

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[2] *Id.*

Retail pharmacies are often the most readily accessible healthcare provider. Nearly all Americans (89%) live within five miles of a community retail pharmacy. Recognition of pharmacists as providers under Medicare Part B would help to provide valuable and convenient pharmacist services to millions of Americans, and most importantly, those who are already medically underserved.

The national physician shortage coupled with the continued expansion of health insurance coverage in 2015 will have serious implications for the nation's healthcare system. Access, quality, cost, and efficiency in healthcare are all critical factors – especially to the medically underserved. Without ensuring access to requisite healthcare services for this vulnerable population, it will be exceedingly difficult for the nation to achieve the aims of healthcare reform. For this reason, we support H.R. 592, the "Pharmacy and Medically Underserved Areas Enhancement Act," which would allow Medicare Part B to utilize pharmacists to their full capability by providing those underserved beneficiaries with services not currently reaching them (subject to state scope of practice laws).

The medically-underserved population includes seniors with cultural or linguistic access barriers, residents of public housing, persons with HIV/AIDS, as well as rural populations and many others. Significant consideration should be given to innovative initiatives within the medically underserved population to enhance healthcare capacity and strengthen community partnerships to offset provider shortages and the surge in individuals with healthcare coverage. It is especially important that underserved beneficiaries transitioning from an acute care facility have continued access to a provider for follow up and to ask questions; oftentimes this is the community pharmacist. NACDS urges the adoption of

policies and legislation that increase access to much-needed services for underserved Americans, such as H.R. 592. This important legislation would lead not only to reduced overall healthcare costs, but also to increased access to healthcare services and improved healthcare quality for underserved patients, including those in transitions of care.

Conclusion

NACDS thanks the subcommittee for consideration of our comments. We look forward to working with policymakers and stakeholders on these important issues.